

HOUSE No. 100

Message from His Excellency the Governor recommending legislation relative to extending the Commonwealth's power to guarantee certain obligations of the Massachusetts Turnpike Authority.

The Commonwealth of Massachusetts



DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

EXECUTIVE DEPARTMENT
STATE HOUSE • BOSTON 02133
(617) 725-4000

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To the Honorable Senate and House of Representatives:

I am filing for your consideration a bill entitled "An Act Extending the Commonwealth's Power to Guarantee Certain Obligations of the Massachusetts Turnpike Authority."

Last year, the Legislature authorized the Commonwealth to guarantee certain payment obligations of the Massachusetts Turnpike Authority in connection with existing hedging transactions for the Authority's Metropolitan Highway System bonds. The legislation only authorizes the Commonwealth guarantee to be provided upon receipt of notice from the counterparty to the hedging transactions that it intends to exercise its rights of termination under the governing agreement or that circumstances have occurred that would allow the counterparty to terminate its agreement in the absence of specified remedial action by the Authority. This legislation extends the Commonwealth's guarantee authorization, which expired on January 15, 2009, until June 30, 2009.

Since the legislation authorizing the guarantee was passed last year, the likelihood that a termination event will occur under the hedging transactions has increased significantly. Consequently, it is important that the Commonwealth continue to have the authority to grant the guarantee in the event it is determined to be necessary to avoid the termination of the hedging transactions.

To allow this important fiscal safeguard to be available, I urge your prompt action to enact this bill.

Sincerely,

DEVAL L. PATRICK,
Governor.

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT EXTENDING THE COMMONWEALTH'S POWER TO GUARANTEE CERTAIN OBLIGATIONS OF THE MASSACHUSETTS TURNPIKE AUTHORITY.

Whereas, the deferred operation of this act would tend to defeat its purpose, which is to provide forthwith for the extension of the Commonwealth's power to guarantee certain obligations of the Massachusetts Turnpike Authority, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Section 32 of chapter 304 of the acts of 2008 is hereby amended by striking out the words "January 15" and inserting in place thereof the following words:- June 30.